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U.S./NICARAGUA>KURALT: The fight for control of Nicaragua between the >>ruling Sandinista and the rebel contras have long engaged hearts and minds and pocketbooks in this country. Now that United States government funds for the contras have been shut off, private support is showing up for them. Robert Schakne reports.

SCHAKNE: In Alexandria, Va., an organization called Western Goals has been promoting a new charity for the holiday season, help the contras in Nicaragua. Western Goals is part of a nationwide network of conservative organizations collecting cash, clothing, medical supplies and food for the guerrilla army, that the CIA, by act of Congress, can no longer finance. In the last month, Western Goals sent out 20,000 fundraising letters. Contra leaders are holding public fundraising rallies.

Conservative groups are advertising in newspaper, and a well-known retired military officer, the former chief of staff of U.S. forces in Korea, Maj. Gen. John Singlaub, is soliciting American corporations and business leaders for big-dollar contributions. MAJ. GEN. JOHN SINGLAUB: We're going to corporations that have had business there who've been expropriated, and we're going to people who are just wealthy, patriotic Americans and asking them if they believe in freedom, here's a, here's a chance.

SCHAKNE: Gen. Singlaub, who served as a Pentagon consultant on Central America last spring, says he's now acting strictly as a private citizen, that he has not consulted the administration. SINGLAUB: I know that they know what I'm doing. If they want me to stop, they'll call me and tell me you're embarrassing us, or you're causing problems. It's not a good idea.

SCHAKNE: The contributions, estimated at 1/2 million a month, are being funneled through a tax exempt Washington organization called the Nicaraguan Development Council. Officials there won't open their books and won't identify their new donors. BOSCO MATAMORES (Nicaraguan Development Council): At this moment, I will say it would be inconvenient to mention those government, those individuals and those organizations. UNIDENTIFIED REPORTER: Why? MATAMORES: I think that political discretion is a quality that is appreciated in politics.

SCHAKNE: A number of prominent American businessmen have confirmed to CBS News that they've been solicited for contributions, but none have publicly admitted that they've paid. Administration officials are carefully keeping a distance from the private fundraising campaign to avoid running afoul of Congress, but the administration is clearly pleased by the effort, has done nothing to discourage it, and a former contra leader said that when the CIA money ran out, they told us where to go to knock on the doors. Robert Schakne, CBS News, Washington.